

United Cities Gas Company
Statement of Operating Income with Adjustments
For the Test Year Ended September 30, 1999
(In Dollars)

Line No	Description	Company Direct Pro Forma Present (Co.Sch C-1) (B)	Company Rebuttal Adjustments (Source) (C)	Company Rebuttal Pro Forma Present (B+C) (D)	Company Surrebuttal Adjustments (Source) (E)	Company Surrebuttal Pro Forma Present (Col D+E) (F)	Company Initial Brief Adjustments Increase (Source) (G)	Company Initial Brief Pro Forma Present (Col F+G) (H)
1	Base Revenues	\$ 17,730,695	\$ -	\$ 17,730,695	\$ -	\$ 17,730,695	\$ -	\$ 17,730,695
2	Other Revenues	45,576	-	45,576	-	45,576	-	45,576
3	Total Operating Revenue	17,776,271	-	17,776,271	-	17,776,271	-	17,776,271
4								
5	Uncollectible Accounts	233,017	-	233,017	-	233,017	-	233,017
6	Production	9,873,846	-	9,873,846	-	9,873,846	-	9,873,846
7	Storage	591	-	591	-	591	-	591
8	Transmission	2,356	-	2,356	-	2,356	-	2,356
9	Distribution	1,861,245	-	1,861,245	-	1,861,245	-	1,861,245
10	Customer Accounts	595,567	-	595,567	-	595,567	-	595,567
11	Customer Service	70,225	-	70,225	-	70,225	-	70,225
12	Sales Promotion	25,170	-	25,170	-	25,170	-	25,170
13	Administration and General	2,635,570	-	2,635,570	-	2,635,570	-	2,635,570
14	Interest on Customer Deposits	3,342	-	3,342	-	3,342	-	3,342
15	Depreciation and Amortization	1,776,123	-	1,776,123	-	1,776,123	-	1,776,123
16	Taxes other than Income	217,630	-	217,630	-	217,630	-	217,630
17	Total Operating Expense							
18	Before Income Taxes	17,294,682	-	17,294,682	-	17,294,682	-	17,294,682
19								
20	State Income Tax	(37,159)	-	(37,159)	-	(37,159)	-	(37,159)
21	Federal Income Tax	(165,155)	-	(165,155)	-	(165,155)	-	(165,155)
22	Deferred Taxes and ITCs Net	-	-	-	-	-	-	-
23	Total Operating Expenses	17,092,368	-	17,092,368	-	17,092,368	-	17,092,368
24								
25	NET OPERATING INCOME	\$ 683,903	\$ -	\$ 683,903	\$ -	\$ 683,903	\$ -	\$ 683,903

United Cities Gas Company
Adjustments to Operating Income
For the Test Year Ended September 30, 1999
(In Dollars)

Line No	Description	Interest Synchronization (St. Ex 1.0 Sched 6)	Allocation Factor- Op. Expense (St Ex 1.0 Sched 10.0)	Depreciation Exp.-LP Plant (St Ex 1.0 Sched 11.0)	Cost of Gas (St Ex 1.0 Sched 12.0)	Outside Services Contract (St Ex 1.0 Sched 13.0)	Outside Legal Expense (St Ex 1.0 Sched 14.0)	Depreciation Expense (St Ex 1.0 Sched 15.0)	Merger Cost (St. Ex 2.0 Sched 1.0)	Income Tax Expense (St Ex 2.0 Sched 2.0)	Subtotal
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
1	Base Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Other Revenues	-	-	-	-	-	-	-	-	-	-
3	Total Operating Revenue	-	-	-	-	-	-	-	-	-	-
4											
5	Uncollectible Accounts	-	-	-	-	-	-	-	-	-	-
6	Production	-	-	-	(9,873,839)	-	-	-	-	-	(9,873,839)
7	Storage	-	-	-	-	-	-	-	-	-	-
8	Transmission	-	-	-	-	-	-	-	-	-	-
9	Distribution	-	-	-	-	-	-	-	-	-	-
10	Customer Accounts	-	-	-	-	-	-	-	-	-	-
11	Customer Service	-	-	-	-	-	-	-	-	-	-
12	Sales Promotion	-	-	-	-	-	-	-	-	-	-
13	Administration and General	-	-	-	-	(4,030)	(2,691)	-	(628,427)	-	(635,148)
14	Interest on Customer Deposits	-	-	-	-	-	-	-	-	-	-
15	Depreciation and Amortization	-	(35,310)	(5,029)	-	-	-	10,676	-	-	(29,663)
16	Taxes other than Income	-	-	-	-	-	-	-	-	-	-
17	Total Operating Expense	-	(35,310)	(5,029)	(9,873,839)	(4,030)	(2,691)	10,676	(628,427)	-	(10,538,650)
18	Before Income Taxes	-	(35,310)	(5,029)	(9,873,839)	(4,030)	(2,691)	10,676	(628,427)	-	(10,538,650)
19											
20	State Income Tax	(22,263)	2,535	361	708,942	289	193	(767)	-	(6,354)	682,936
21	Federal Income Tax	(100,732)	11,471	1,634	3,207,714	1,309	874	(3,468)	-	(31,726)	3,087,076
22	Deferred Taxes and ITCs Net	-	-	-	-	-	-	-	-	-	-
23	Total Operating Expenses	(122,995)	(21,304)	(3,034)	(5,957,183)	(2,432)	(1,624)	6,441	(628,427)	(38,080)	(6,768,638)
24											
25	NET OPERATING INCOME	\$ 122,995	\$ 21,304	\$ 3,034	\$ 5,957,183	\$ 2,432	\$ 1,624	\$ (6,441)	\$ 628,427	\$ 38,080	\$ 6,768,638

United Cities Gas Company
Adjustments to Operating Income
For the Test Year Ended September 30, 1999
(In Dollars)

			Pension	Forfeited	Lease	Gas Sales	Director	Shared	Payroll	Benefits	
			Expense	Discounts	Revenue	Revenue	Retirement	Services	Expense	Expense	
			(St. Ex 2.0	(St. Ex 2.0	St Ex 2.0	(St. Ex 2.0	(St Ex 2.0	(St. Ex 2.0	(St Ex 2.0	(St. Ex 2.0	
Line											
No	Description	Subtotal	Sched 6.0)	Sched 7.0)	Sched 8.0)	Sched 9.0)	Sched 10.0)	Sched 11.0)	Sched 12.0)	Sched 13.0)	Subtotal
	(A)	(L)	(M)	(N)	(O)	(P)	(Q)	(R)	(S)	(T)	(U)
1	Base Revenues	\$ -	\$ -	\$ -	\$ -	\$ (9,873,839)	\$ -	\$ -	\$ -	\$ -	\$ (9,873,839)
2	Other Revenues	-	-	24,457	9,340	-	-	-	-	-	33,797
3	Total Operating Revenue	-	-	24,457	9,340	(9,873,839)	-	-	-	-	(9,840,042)
4											
5	Uncollectible Accounts	-	-	-	-	-	-	-	-	-	-
6	Production	(9,873,839)	-	-	-	-	-	-	-	-	(9,873,839)
7	Storage	-	-	-	-	-	-	-	-	-	-
8	Transmission	-	-	-	-	-	-	-	-	-	-
9	Distribution	-	-	-	-	-	-	-	-	-	-
10	Customer Accounts	-	-	-	-	-	-	-	-	-	-
11	Customer Service	-	-	-	-	-	-	-	-	-	-
12	Sales Promotion	-	-	-	-	-	-	-	-	-	-
13	Administration and General	(635,148)	(139,497)	-	-	-	(8,010)	(19,309)	(11,141)	(25,844)	(838,949)
14	Interest on Customer Deposits	-	-	-	-	-	-	-	-	-	-
15	Depreciation and Amortization	(29,663)	-	-	-	-	-	-	-	-	(29,663)
16	Taxes other than Income	-	-	-	-	-	-	-	-	-	-
17		-	-	-	-	-	-	-	-	-	-
18	Total Operating Expense										
19	Before Income Taxes	(10,538,650)	(139,497)	-	-	-	(8,010)	(19,309)	(11,141)	(25,844)	(10,742,451)
20											
21	State Income Tax	682,936	10,016	1,756	671	(708,942)	575	1,386	800	1,856	(8,946)
22	Federal Income Tax	3,087,076	45,318	7,945	3,034	(3,207,714)	2,602	6,273	3,619	8,396	(43,451)
23	Deferred Taxes and ITCs Net	-	-	-	-	-	-	-	-	-	-
24	Total Operating Expenses	(6,768,638)	(84,163)	9,701	3,705	(3,916,656)	(4,833)	(11,650)	(6,722)	(15,592)	(10,794,848)
25											
26	NET OPERATING INCOME	\$ 6,768,638	\$ 84,163	\$ 14,756	\$ 5,635	\$ (5,957,183)	\$ 4,833	\$ 11,650	\$ 6,722	\$ 15,592	\$ 954,806

United Cities Gas Company
Adjustments to Operating Income
For the Test Year Ended September 30, 1999
(In Dollars)

			Uncollectible	Rate	Monarch Mgmt.	Interest on	Sales	Customer			Total
			Accounts	Case	Audit Exp	Memberships	Promotion	Service			Operating
			Expense	Amort.	Amortization	& Dues	Expense	Expense			Statement
Line	Description	Subtotal	(St. Ex 2.0)	(St. Ex 3.0)	(St. Ex 3.0)	(St. Ex 3.0)	(St. Ex 3.0)	(St. EX 3.0)			Adjustments
No	(A)	(V)	<u>Sched 14.0</u>	<u>Sched 8.0</u>	<u>Sched 9.0</u>	<u>Sched 9.0</u>	<u>Sched 11.0</u>	<u>Sched 12.0</u>	<u>Sched 13.0</u>	(AD)	(AE)
1	Base Revenues	\$ (9,873,839)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (9,873,839)
2	Other Revenues	33,797	-	-	-	-	-	-	-	-	33,797
3	Total Operating Revenue	(9,840,042)	-	-	-	-	-	-	-	-	(9,840,042)
4											
5	Uncollectible Accounts	-	-	-	-	-	-	-	-	-	-
6	Production	(9,873,839)	-	-	-	-	-	-	-	-	(9,873,839)
7	Storage	-	-	-	-	-	-	-	-	-	-
8	Transmission	-	-	-	-	-	-	-	-	-	-
9	Distribution	-	-	-	-	-	-	-	-	-	-
10	Customer Accounts	-	-	-	-	-	-	-	-	-	-
11	Customer Service	-	-	-	-	-	-	820	-	-	820
12	Sales Promotion	-	-	-	-	-	-	-	-	-	-
13	Administration and General	(838,949)	(131,641)	(4,297)	2,274	(1,189)	-	(25,170)	-	-	(998,972)
14	Interest on Customer Deposits	-	-	-	-	-	1,375	-	-	-	1,375
15	Depreciation and Amortization	(29,663)	-	-	-	-	-	-	-	-	(29,663)
16	Taxes other than Income	-	-	-	-	-	-	-	-	-	-
17	Total Operating Expense										
18	Before Income Taxes	(10,742,451)	(131,641)	(4,297)	2,274	(1,189)	1,375	(25,170)	820	-	(10,900,279)
19											
20	State Income Tax	(8,946)	9,452	309	(163)	85	(99)	1,807	(59)	-	2,386
21	Federal Income Tax	(43,451)	42,766	1,396	(739)	386	(447)	8,177	(266)	-	7,822
22	Deferred Taxes and ITCs Net	-	-	-	-	-	-	-	-	-	-
23	Total Operating Expenses	(10,794,848)	(79,423)	(2,592)	1,372	(718)	829	(15,186)	495	-	(10,890,071)
24											
25	NET OPERATING INCOME	\$ 954,806	\$ 79,423	\$ 2,592	\$ (1,372)	\$ 718	\$ (829)	\$ 15,186	\$ (495)	\$ -	\$ 1,050,029

United Cities Gas Company
Rate Base
For the Test Year Ended September 30, 1999
(In Dollars)

Line No	Description (A)	Company Pro Forma (Sch B-1) (B)	Staff Adjustments (Sch 4) (C)	Staff Pro Forma (Col B+C) (D)
1	Utility Plant in Service	\$ 38,903,289	\$ (713,601)	\$ 38,189,688
2	Accumulated Depreciation	(17,863,772)	139,593	(17,724,179)
3	Net Plant	21,039,517	(574,008)	20,465,509
4				
5	Additions to Rate Base:			
6	Construction work in progress	2,163,418	(27,867)	2,135,551
7	Gas stored underground	3,340,790	(487,657)	2,853,133
8	Gas stored underground-Cushion Gas	59,965	527,351	587,316
9	Consulting and non-compete agreement	143,688	-	143,688
10	Unamortized rate case expense	185,573	(185,573)	-
11	Unamort. Monarch management audit	14,195	(14,195)	-
12	Materials and supplies	282,520	106,182	388,702
13	Working capital allowance	678,386	(156,871)	521,515
14		-	-	-
15		-	-	-
16				
17	Deductions from Rate Base:			
18	Customer advances for construction	(18,931)	(3,629)	(22,560)
19	Customer deposits	(60,765)	(38,512)	(99,277)
20	Accumulated deferred income taxes	(2,492,808)	184,228	(2,308,580)
21	Budget billing advances	-	(437,726)	(437,726)
22		-	-	-
23		-	-	-
24		-	-	-
25		-	-	-
26				
27	Rate Base	\$ 25,335,548	\$ (1,108,277)	\$ 24,227,271

United Cities Gas Company
Rate Base
For the Test Year Ended September 30, 1999
(In Dollars)

Line No	Description	Company Direct Pro Forma (Source) (B)	Company Rebuttal Adjustments (Source) (C)	Company Rebuttal Pro Forma (B+C) (D)	Company Surrebuttal Adjustments (Source) (E)	Company Surrebuttal Pro Forma Present (Col D+E) (F)	Company Initial Brief Adjustments (Source) (G)	Company Initial Brief Pro Forma Present (Col F+G) (H)
1	Utility Plant in Service	\$ 38,903,289	\$ -	\$38,903,289	\$ -	\$38,903,289	\$ -	\$38,903,289
2	Accumulated Depreciation	(17,863,772)	-	(17,863,772)	-	(17,863,772)	-	(17,863,772)
3	Net Plant	21,039,517	-	21,039,517	-	21,039,517	-	21,039,517
4								
5	Additions to Rate Base:							
6	Construction work in progress	2,163,418	-	2,163,418	-	2,163,418	-	2,163,418
7	Gas stored underground	3,340,790	-	3,340,790	-	3,340,790	-	3,340,790
8	Gas stored underground-Cushion Gas	59,965	-	59,965	-	59,965	-	59,965
9	Consulting and non-compete agreement	143,688	-	143,688	-	143,688	-	143,688
10	Unamortized rate case expense	185,573	-	185,573	-	185,573	-	185,573
11	Unamort. Monarch management audit	14,195	-	14,195	-	14,195	-	14,195
12	Materials and supplies	282,520	-	282,520	-	282,520	-	282,520
13	Working capital allowance	678,386	-	678,386	-	678,386	-	678,386
14		-	-	-	-	-	-	-
15		-	-	-	-	-	-	-
16		-	-	-	-	-	-	-
17	Deductions from Rate Base:							
18	Customer advances for construction	(18,931)	-	(18,931)	-	(18,931)	-	(18,931)
19	Customer deposits	(60,765)	-	(60,765)	-	(60,765)	-	(60,765)
20	Accumulated deferred income taxes	(2,492,808)	-	(2,492,808)	-	(2,492,808)	-	(2,492,808)
21	Budget billing advances	-	-	-	-	-	-	-
22		-	-	-	-	-	-	-
23		-	-	-	-	-	-	-
24		-	-	-	-	-	-	-
25		-	-	-	-	-	-	-
26		(2,572,504)						
27	Rate Base	\$ 25,335,548	\$ -	\$ 25,335,548	\$ -	\$ 25,335,548	\$ -	\$ 25,335,548

United Cities Gas Company
Adjustments to Rate Base
For the Test Year Ended September 30, 1999
(In Dollars)

Line No	Description	Adjustment to Allocation Factors- Rate Base (St. Ex 1) <u>Schedule 9.0</u> (B)	LP Plant (St. Ex 1) <u>Sched 11.0</u> (C)	Gas Stored Underground (St Ex 3.0) <u>Sched 1.0</u> (D)	Unamortized Rate Case Expense (St. Ex 3.0) <u>Sched 2.0</u> (E)	Unamortized Monarch Mgmt Audit (St Ex 3.0) <u>Sched 3.0</u> (F)	Materials & Supplies (St. Ex 3.0) <u>Sched 4.0</u> (G)	Customer Adv for Construction (St. Ex 3.0) <u>Sched 5.0</u> (H)	Customer Deposits (St. Ex 3.0) <u>Sched 6.0</u> (I)	Budget Billing Advances (St.Ex. 3.0) <u>Sched 7.0</u> (J)	Subtotal (K)
1	Utility Plant in Service	\$ (411,532)	\$ (302,069)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (713,601)
2	Accumulated Depreciation	<u>(162,476)</u>	<u>302,069</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>139,593</u>
3	Net Plant	(574,008)	-	-	-	-	-	-	-	-	(574,008)
4											
5	Additions to Rate Base:										
6	Construction work in progress	(27,867)	-	-	-	-	-	-	-	-	(27,867)
7	Gas stored underground	-	-	(487,657)	-	-	-	-	-	-	(487,657)
8	Gas stored underground-Cushion Gas	-	-	-	-	-	-	-	-	-	-
9	Consulting and non-compete agreement	-	-	-	-	-	-	-	-	-	-
##	Unamortized rate case expense	-	-	-	(185,573)	-	-	-	-	-	(185,573)
##	Unamort. Monarch management audit	-	-	-	-	(14,195)	-	-	-	-	(14,195)
##	Materials and supplies	-	-	-	-	-	106,182	-	-	-	106,182
##	Working capital allowance	-	-	-	-	-	-	-	-	-	-
##		-	-	-	-	-	-	-	-	-	-
##		-	-	-	-	-	-	-	-	-	-
##	Deductions from Rate Base:										
##	Customer advances for construction	-	-	-	-	-	-	(3,629)	-	-	(3,629)
##	Customer deposits	-	-	-	-	-	-	-	(38,512)	-	(38,512)
##	Accumulated deferred income taxes	184,228	-	-	-	-	-	-	-	-	184,228
##	Budget billing advances	-	-	-	-	-	-	-	-	(437,726)	(437,726)
##		-	-	-	-	-	-	-	-	-	-
##		-	-	-	-	-	-	-	-	-	-
##		-	-	-	-	-	-	-	-	-	-
##		-	-	-	-	-	-	-	-	-	-
##	Rate Base	<u>\$ (417,647)</u>	<u>\$ -</u>	<u>\$ (487,657)</u>	<u>\$ (185,573)</u>	<u>\$ (14,195)</u>	<u>\$ 106,182</u>	<u>\$ (3,629)</u>	<u>\$ (38,512)</u>	<u>\$ (437,726)</u>	<u>\$ (1,478,757)</u>

United Cities Gas Company
Adjustments to Rate Base
For the Test Year Ended September 30, 1999
(In Dollars)

Line No	Description (A)	Subtotal (L)	Cash Working Capital (St. Ex 1.0 <u>Sch 8.0</u>) (M)	Gas Stored Underground- Cushion Gas (St. Ex 1.0 <u>Sch 16.0</u>) (N)	(Source) (O)	(Source) (P)	(Source) (M)	(Source) (R)	(Source) (S)	(Source) (T)	Subtotal (U)
1	Utility Plant in Service	\$ (713,601)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (713,601)
2	Accumulated Depreciation	<u>139,593</u>	-	-	-	-	-	-	-	-	<u>139,593</u>
3	Net Plant	(574,008)	-	-	-	-	-	-	-	-	(574,008)
4											
5	Additions to Rate Base:										
6	Construction work in progress	(27,867)	-	-	-	-	-	-	-	-	(27,867)
7	Gas stored underground	(487,657)	-	-	-	-	-	-	-	-	(487,657)
8	Gas stored underground-Cushion Gas	-	-	527,351	-	-	-	-	-	-	527,351
9	Consulting and non-compete agreemen	-	-	-	-	-	-	-	-	-	-
10	Unamortized rate case expense	(185,573)	-	-	-	-	-	-	-	-	(185,573)
11	Unamort. Monarch management audit	(14,195)	-	-	-	-	-	-	-	-	(14,195)
12	Materials and supplies	106,182	-	-	-	-	-	-	-	-	106,182
13	Working capital allowance	-	(156,871)	-	-	-	-	-	-	-	(156,871)
14		-	-	-	-	-	-	-	-	-	-
15		-	-	-	-	-	-	-	-	-	-
16											
17	Deductions from Rate Base:										
18	Customer advances for construction	(3,629)	-	-	-	-	-	-	-	-	(3,629)
19	Customer deposits	(38,512)	-	-	-	-	-	-	-	-	(38,512)
20	Accumulated deferred income taxes	184,228	-	-	-	-	-	-	-	-	184,228
21	Budget billing advances	(437,726)	-	-	-	-	-	-	-	-	(437,726)
22		-	-	-	-	-	-	-	-	-	-
23		-	-	-	-	-	-	-	-	-	-
24		-	-	-	-	-	-	-	-	-	-
25		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
26											
27	Rate Base	\$ (1,478,757)	\$ (156,871)	\$ 527,351	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,108,277)

[illegible]

United Cities Gas Company
Revenue Effect of Adjustments
For the Test Year Ended September 30, 1999
(In Dollars)

Docket No. 00-0228
Staff Ex. 1.0
Schedule 5.0
Page 1 of 3

Line No	Description (A)	Effect at Company ROR (B)	Effect Of Staff ROR (C)	Effect of Interest Synch. (D)	Rounding (E)	TOTAL REVENUE EFFECT (F)	
1	Company Proposed Increase					\$ 3,151,323	(1)
2	Staff Rate of Return applied to COMPANY RATE BASE	9.18% (2)	(404,375)			(404,375)	
3	Return on Equity	11.56% (2)					
4	Staff Adjustments - Total RATE BASE (from Page 2 of 3)	(187,607)	17,689	39,403	-	(130,515)	
5							
6	Staff Adjustments - Total INCOME STATEMENT (from page 3 of 3)					(1,792,414)	
7							
8	Revenue Conversion Factor Adjustment					(4,335)	
9							
10	Rounding					(1)	
11							
12	Total Effect of Staff Proposals					(2,331,640)	
13							
14							
15	Staff Proposed Change to Revenues					\$ 819,683	(3)
16							
17							
18	Rounding (Memo Only)		-	(Memo Only)			
19							
20	Staff Rate of Return applied to STAFF RATE BASE (Memo Only)		\$ (386,686)	(Memo Only)			

- (1) Source: UCG Schedule C-1, Column (5), Line 1
(2) Source: ICC Staff Exhibit 4.0, Schedule 12.0
(3) Source: ICC Staff Exhibit 1.0, Schedule 1.0, Page 1 of 2

United Cities Gas Company
Revenue Effect of Adjustments
For the Test Year Ended September 30, 1999
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Staff Ex. 1.0
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Line No	Description (A)	Exhibit (B)	Effect at Company ROR (1) (C)	Effect Of Staff ROR (2) (D)	Effect of Interest Synch. (3) (E)	Rounding (F)	TOTAL REVENUE EFFECT (4) (G)	Line No
1	Staff Adjustments - RATE BASE							1
2	Allocation Factor-Rate Base	ICC Staff Exhibit 1.0, Sched. 9.0	\$ (70,699)	\$ 6,666	\$ 14,849	\$ -	\$ (49,184)	2
3	LP Plant	ICC Staff Exhibit 1.0, Sched. 11.0	-	-	-	-	-	3
4	Gas Stored Underground	ICC Staff Exhibit 3.0, Sched. 1.0	(82,550)	7,783	17,338	1	(57,428)	4
5	Gas Stored Underground-Cushion Gas	ICC Staff Exhibit 1.0, Sched. 16.0	(31,413)	2,962	6,598	(1)	(21,854)	5
6	Unamortized Rate Case Expense	ICC Staff Exhibit 3.0, Sched. 2.0	(2,403)	227	505	(1)	(1,672)	6
7	Unamortized Monarch Mgmt. Audit	ICC Staff Exhibit 3.0, Sched. 3.0	17,974	(1,695)	(3,775)	-	12,504	7
8	Materials & Supplies	ICC Staff Exhibit 3.0, Sched. 4.0	(614)	58	129	-	(427)	8
9	Customer Advances for Construction	ICC Staff Exhibit 3.0, Sched. 5.0	(6,519)	615	1,369	-	(4,535)	9
10	Customer Deposits	ICC Staff Exhibit 3.0, Sched. 6.0	(74,097)	6,986	15,563	-	(51,548)	10
11	Budget Billing Advances	ICC Staff Exhibit 3.0, Sched. 1.0	(26,555)	2,504	5,577	-	(18,474)	11
12	Cash Working Capital	ICC Staff Exhibit 1.0, Sched. 8.0	89,269	(8,417)	(18,749)	-	62,103	12
13			-	-	-	-	-	13
14			-	-	-	-	-	14
15			-	-	-	-	-	15
16			-	-	-	-	-	16
17			-	-	-	-	-	17
18			-	-	-	-	-	18
19			-	-	-	-	-	19
20			-	-	-	-	-	20
21			-	-	-	-	-	21
22			-	-	-	-	-	22
23			-	-	-	-	-	23
24			-	-	-	-	-	24
25			-	-	-	-	-	25
26			-	-	-	-	-	26
27								27
28	Subtotal		(187,607)	17,689	39,404	(1)	(130,515)	28
29	Rounding		-	-	(1)	1	-	29
30	Total Revenue Effect of Rate Base Adjustments		\$ (187,607)	\$ 17,689	\$ 39,403	\$ -	\$ (130,515)	30

(1) Source: Adjustment x Co. ROR x Staff GRCF.

(2) Source: Adjustment x (Staff ROR - Co. ROR) x Staff GRCF.

(3) Source: Adjustment x (Staff Before Tax ROR - Staff After Tax ROR) x Staff GRCF.

(4) Source: Adjustment x Staff After Tax ROR x Staff GRCF.

United Cities Gas Company
Revenue Effect of Adjustments
For the Test Year Ended September 30, 1999
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Staff Ex. 1.0
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Line No	Description (A)	Exhibit (B)	TOTAL REVENUE EFFECT (1) (C)	Remove Rate Base Portion (2) (D)	Operating Statement Portion (C+D) (E)	Line No
1	Staff Adjustments - Operating Statement					1
2	Interest Synchronization	ICC Staff Exhibit 1.0, Sched. 6.0	\$ (205,339)	\$ (39,403)	\$ (244,742)	2
3	Allocation Factor-Operating Expense	ICC Staff Exhibit 1.0, Sched. 10.0	(35,567)		(35,567)	3
4	Depreciation Expense-LP Plant	ICC Staff Exhibit 1.0, Sched. 11.0	(5,065)		(5,065)	4
5	Cost of Gas	ICC Staff Exhibit 1.0, Sched. 12.0	(9,945,446)		(9,945,446)	5
6	Outside Services	ICC Staff Exhibit 1.0, Sched. 13.0	(4,060)		(4,060)	6
7	Outside Legal Expense	ICC Staff Exhibit 1.0, Sched. 14.0	(2,711)		(2,711)	7
8	Depreciation Expense	ICC Staff Exhibit 1.0, Sched. 15.0	10,753		10,753	8
9	Merger Cost	ICC Staff Exhibit 2.0, Sched. 1.0	(1,049,151)		(1,049,151)	9
10	Income Tax Expense	ICC Staff Exhibit 2.0, Sched. 2.0	(63,574)		(63,574)	10
11	Pension Expense	ICC Staff Exhibit 2.0, Sched. 6.0	(140,509)		(140,509)	11
12	Forfeited Discounts	ICC Staff Exhibit 2.0, Sched. 7.0	(24,635)		(24,635)	12
13	Lease Revenue	ICC Staff Exhibit 2.0, Sched. 8.0	(9,408)		(9,408)	13
14	Gas Revenue	ICC Staff Exhibit 2.0, Sched. 9.0	9,945,446		9,945,446	14
15	Directors Retirement	ICC Staff Exhibit 2.0, Sched. 10.0	(8,069)		(8,069)	15
16	Shared Services	ICC Staff Exhibit 2.0, Sched. 11.0	(19,450)		(19,450)	16
17	Payroll	ICC Staff Exhibit 2.0, Sched. 12.0	(11,222)		(11,222)	17
18	Benefits	ICC Staff Exhibit 2.0, Sched. 13.0	(26,031)		(26,031)	18
19	Uncollectibles	ICC Staff Exhibit 2.0, Sched. 14.0	(132,596)		(132,596)	19
20	Rate Case Amortization	ICC Staff Exhibit 3.0 Sched. 8.0	(4,327)		(4,327)	20
21	Monarch Mgmt Audit Amortization	ICC Staff Exhibit 3.0 Sched. 9.0	2,291		2,291	21
22	Memberships and Dues	ICC Staff Exhibit 3.0 Sched. 10.0	(1,199)		(1,199)	22
23	Interest on Customer Deposits	ICC Staff Exhibit 3.0 Sched. 11.0	1,384		1,384	23
24	Sales Promotion Expense	ICC Staff Exhibit 3.0 Sched. 12.0	(25,353)		(25,353)	24
25	Customer Service Expense	ICC Staff Exhibit 3.0 Sched. 13.0	826		826	25
26			-		-	26
27						27
28	Column Subtotal		\$ (1,753,012)	\$ (39,403)	(1,792,415)	28
29						29
30	Rounding				1	30
31						31
32	Total Revenue Effect of Operating Statement Adjustments				\$ (1,792,414)	32

(1) Source: Adjustment x Staff GRCF.

(2) Source: Schedule 5, Page 2 of 3, Column (E), Line 30.